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Executive Registry

65-7231

**SECRET**

*Mac*

The Honorable McGeorge Bundy  
Special Assistant to the President  
for National Security Affairs  
The White House  
Washington, D. C.

11 DEC 1965

Dear Mac:

The attached memorandum is a comprehensive study of the Chinese Communist economy which I believe you may find of interest.

Resource limitations, political constraints, and the diversion of scarce resources to military programs add up to the prospect of slow growth at best for the Chinese economy in the next few years. Even so, however, China should be able in 1966, as it was in 1964-65, to move forward on such objectives as development of modern weapons and expansion of its presence in less developed countries, and the economy's ability to support actions in Vietnam and along the Indian border should continue to be strong.

**CONFIDENTIAL**

Sincerely,

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(signed) W. F. Rahn

W. F. Rahn

Note: not orig. signature. RSC had signed orig. set, but since retyped for format, Attachment is CIA/RR ER 65-32 has not been passed thru him again.

Attachment (Copy 18)

cc: The Secretary of State  
The Secretary of Defense

Identical letter was sent to:  
Dean Rusk - Copy 16  
Robert McNamara - Copy 17

O/DDI: [ ] (10 Dec 1965)

Distribution:

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**Remarks:**

Attached are three letters for DCI's signature transmitting to Secretary Rusk, Secretary McNamara, and McGeorge Bundy copies of an Intelligence Report on the economic prospects for Communist China. These were discussed at this morning's meeting.

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.		DATE
DDI		7E32
		8 Dec

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